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Annual Report of the Treasurer to the Governor of Virginia for the Fiscal Year Ended June 30, 1985

Charles S. Robb
Governor

Stuart W. Connock
Secretary of Finance

C. J. Boehm
Treasurer

Designed by the Virginia Office of Graphic Communications, Department of General Services

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Office of the Treasurer

C. J. Boehm
Treasurer of Virginia

P.O. Box 6-H
Richmond, Virginia 23215

The Honorable Charles S. Robb
Governor of Virginia
The Capitol
Richmond, Virginia

Dear Governor Robb:

Treasury's financial contribution during fiscal 1985 was the highest on record. Total revenue, less all operating expense, was $177,202,000. This exceeded plan and prior year's contribution by $18,253,000 and $70,332,000, respectively. The details of how this was accomplished, along with narrative relative to our continuing efforts to improve effectiveness and efficiency, are included in the following pages.

Sincerely,

C. J. Boehm

CJB:ah

Treasury Contribution Report

(nearest $000)

	Fiscal Year Ended 6/30		
	1985		1984
	ACTUAL	PLAN	ACTUAL
Revenue			
Investment Income Accrued:			
General Account	$ 85,444	$ 80,700	$ 58,198
Retirement System	36,207	18,378	19,873
Trust Funds	35,932	35,718	18,371
Total Investment Income Accrued	$157,583	$134,796	$ 96,442
Unclaimed Property Income			
Reported Property	$ 22,673	$ 26,000	$ 12,679
Escheated Property	$ 495	$ 1,950	$ 955
Total Unclaimed Property	$ 23,168	$ 27,950	$ 13,634
Total Revenue Produced	$180,751	$162,746	$110,076
Expenses			
General Fund	$ 2,680	$ 2,727	$ 2,628
Non-General Fund	$ 869	$ 1,070	$ 578
Total Operating Expenses	$ 3,549	$ 3,797	$ 3,206
% of Total Revenue	1.96%	2.33%	2.91%
Contribution			
Revenue Less Expense	$177,202	$158,949	$106,870
% of Total Revenue	98.04%	97.67%	97.09%
Investment Yield Comparisons			
State Treasury	10.4%	10.3%	10.0%
91-Day U.S. Treasury Bills	9.07%	—	9.6%
Donoghue's Taxable Money Funds	8.85%	—	8.9%

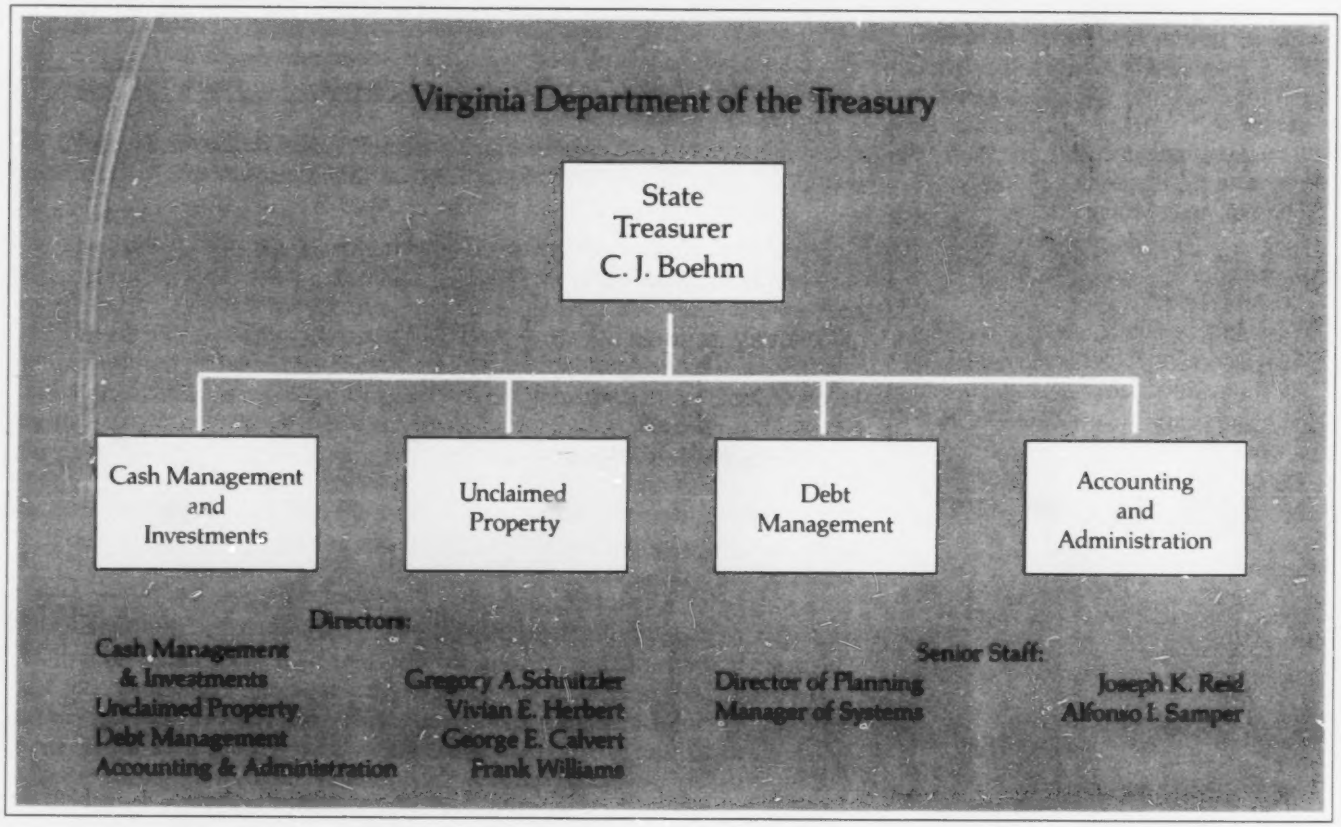
Executive Summary

The major responsibilities of the State Treasury are, to receive, maintain custody of and disburse all funds of State government; to arrange short and long term financing for capital outlay projects; to invest idle and trust fund monies; administer unclaimed property and escheat laws and to serve on various mandated boards and commissions.

During fiscal year 1985:

- Treasury's financial contribution was the highest on record. Total revenue less all operating expense was in excess of $177 million. This exceeded the previous year by more than $70 million (40%).
- An average of $1,522 million was invested with an earning yield of 10.4 %. This was 1.33% and 1.55% higher than yields produced by 91 day U.S. Treasury bills and the Donoghue index of taxable money market funds, respectively.
- Total Treasury expenses were only 1.96% of total revenue produced. This compares with plan of 2.33% and the prior year's 2.91%.
- The Unclaimed Property audit program which was started in fiscal 1983 continued to grow in 1985. Twenty-four audits completed during the year identified an average of $1.2 million to be reported in current as well as future years.
- Total unclaimed property reported was $22.7 million, an increase of $10.0 million over 1984.
- Thirty-one participants had $29.3 million invested in the Local Government Investment Pool at year end. This compares with nineteen participants and $12.9 million at the end of fiscal 1984.
- Four million dollars of unclaimed property was returned to righful owners.
- Treasury outreach programs were expanded. In excess of twenty state agencies and departments were assisted in the solution of their cash management and banking problems. Six unclaimed property seminars and meetings were held with various holder groups. Channel 8 has reserved time for unclaimed property on the last Monday of every month (Good Morning Virginia show at 10:00 a.m.).
- Further internal improvements included the installation of automated systems to assist in the reconciliation of bank accounts, the monitoring of bank services costs and the interfacing of Treasury's investment ledger and Trust Accounting Ledger systems.
- Adoption of the Unclaimed Property Uniform Act was completed.
- Objectives continue to be the refinement of the State's banking network, improving cash flow forecasting techniques; promoting the expansion of automatic deposit of employee payrolls and other activities that will lead to a reduction in the 8.0 million checks that the state writes each year; building on the benefits to be derived through an expanded unclamed property operation; improving debt management services and generally reducing workloads and relative costs of Treasury operations.

Organization Chart



Financial Highlights

(nearest $000)

	Fiscal Year Ended 6/30			
	1985	1984	1983	1982
Revenue				
Total Investment Income	$157,583	$ 93,442	$129,895	$123,500
Unclaimed & Escheated Property	$ 23,168	$ 13,634	$ 7,600	$ 3,600
Total Revenue Produced	$180,751	$110,076	$137,495	$127,100
Expenses				
General Fund	$ 2,680	$ 2,628	$ 2,362	$ 2,197
Non-General Fund	$ 869	$ 578	$ 513	$ 243
Total Operating Expenses	$ 3,549	$ 3,206	$ 2,875	$ 2,440
% of Total Revenue	1.96%	2.91%	2.09%	1.93%
Contribution				
Revenue Less Expense	$177,202	$106,870	$134,620	$124,660
% of Total Revenue	98.04%	97.09%	97.91%	98.07%
Investment Comparisons				
Treasury Composite Yield	10.4%	10.0%	10.2%	14.5%
91 Day U.S. Treasury Bill Yields	9.1%	9.6%	8.9%	13.7%
SPREAD	1.3%	0.4%	1.3%	0.8%
Average Invested Balances	$ 1,522	$ 964	$ 951	$ 950

Cash Management and Investments

Treasury's Cash Management and Investment Division maintains active "outreach" efforts to reach the financial and investment community and entities of State and local governments. It strives to stay abreast of changing conditions and new opportunities as well as to enhance the Commonwealth's financial well-being.

The division is divided functionally into Cash Administration, Bank Services Management, and Investment Management.

Cash Administration

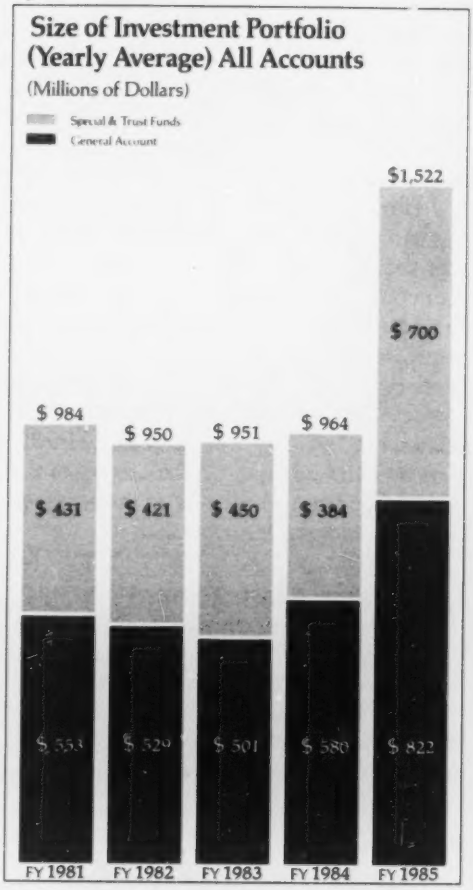
The State's daily cash receipts are deposited statewide into more than 100 regional and local depository accounts. These deposits are electronically transferred and are available for investment on the following day. The system which provides for this rapid movement of funds was implemented in early 1983. Indications are that this new capability has added approximately $5.0 million to Treasury's average investments. Recent system improvements include eliminating the practice of rotating deposits between some regional banks and directing more deposits directly into State concentration accounts. These refinements have further reduced the administrative costs associated with concentrating funds and further accelerated the availability of funds for investments.

Forecasting and monitoring the state's cash flow so as to properly advise the Treasury's investment officer concerning the amounts and timing of investments are prime responsibilties of the Cash Administrator. As noted above, modern systems are in place for the rapid movement of receipts from depositories to investments. These systems provide good receipt information for cash flow forecasting, but comparable systems are not in place for the projection of disbursements. Considerable effort is being made to obtain the needed disbursement data and it is anticipated that it will become available with institution of a statewide accounts payable system based upon due dates.

During the year the Treasury acquired an automated Econometric Software Package to increase econometric and statistical analysis capabilities. Present cash flow data bases are being converted to this program in order to utilize its full compliment of regression and modeling techniques to generate future forecasts.

Electronic Funds Transfer is another technique that can be used to enhance our ability to forecast cash-flow. The Commonwealth uses this technique to convey funds to local political jurisdictions. Another major effort to utilize this technique will be the Comptroller's extension of the automatic deposit payroll system to all State employees.

Fig. 1



Cash Management and Investments

Bank Services Management

Bank Services Management is a concerted effort on the part of the Treasury to centralize control and management of statewide banking and bank-related cash management services either used or needed by the Commonwealth. It maintains an active liaison with the banking community to create an effective banking network and to obtain the highest quality financial services at a reasonable cost.

During the past year significant progress was made toward streamlining the banking network and enhancing the quality of banking and cash management services. The banking network was streamlined to take advantage of cost reductions resulting from the consolidation of groups of services and accounts. In addition, negotiations with financial institutions resulted in the Commonwealth obtaining lower priced services while enhancing the service quality of these products. Further, assistance was provided agencies and institutions in the development and review of requests for proposals for banking and bank-related cash management services. Finally, by closely monitoring the activity, direction and technological advances of the financial community, the Commonwealth has been better able to make effective use of a broad range of services and technological innovations.

Investment Management

State funds are primarily invested in U.S. Treasury and Federal Agency securities and fully secured overnight repurchase agreements, certificates of deposits in Virginia Banks and Savings and Loans which are secured under the Virginia Security for Public Deposits Act or federally insured by an agency of the U.S. Government, top grade commercial paper of domestic corporations, and in bankers' acceptances of large money center banks.

Distribution of Investment Portfolio at Year End

	1981	1982	1983	1984	1985
Repurchase Agreements	37%	52%	35%	20%	14%
Govt's & Agencies	54%	38%	38%	35%	38%
Money Markets	—	—	9%	39%	45%
Time Deposits	9%	10%	18%	6%	3%

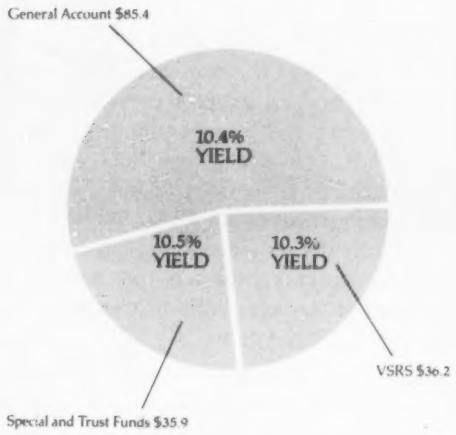
Cash Management and Investments

During fiscal 1985 general account funds were on average invested 14% in repurchase agreements, 38% in U.S. Government and agency securities, 45% in money market securities, and 3% in time deposits. The average balance in the general account was $822 million for fiscal 1985 as compared to $580 million for fiscal 1984. During fiscal 1985 the ninety-one day U.S. Treasury Bill rate decreased approximately 330 basis points, and the taxable money market funds average rate decreased approximately 310 basis points. During the same period the general account investment yield decreased only 176 basis points while average investment balances increased $243 million. The average yield obtained for fiscal 1985 was 10.4% as compared with 10.0% for 1984.

This was accomplished by reducing investments in overnight repurchase agreements by 30% and by increasing investments in the two year portion of the yield curve. The yield curve for fiscal 1985 was sharply upsloping for the entire year with the sharpest portion of the curve ranging between one and two-year maturities.

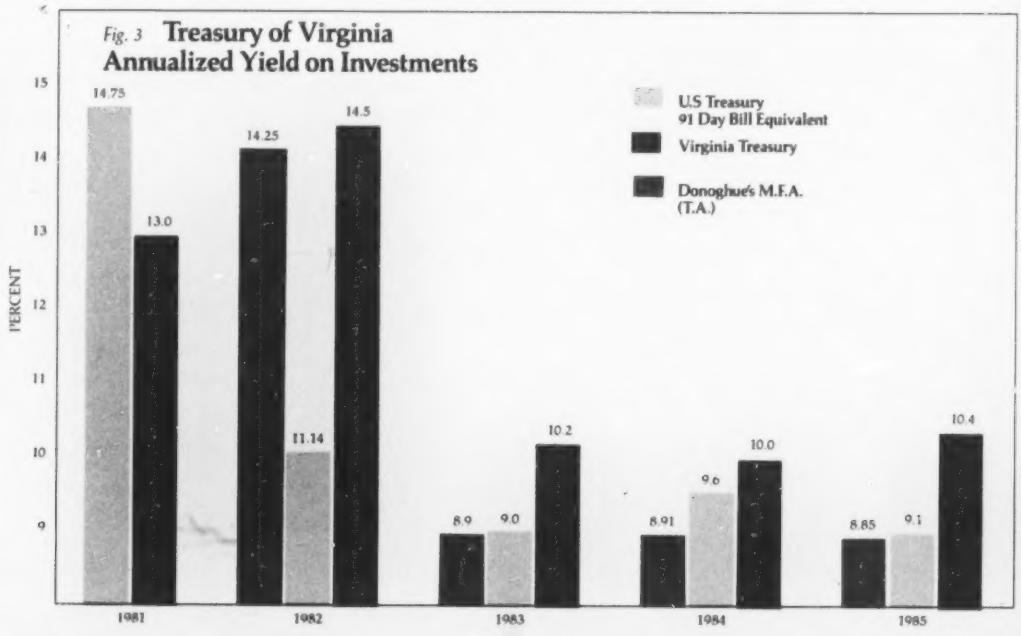
During fiscal 1985 the investment portfolios for Special and Trust accounts averaged $700 million at a yield of 10.3%. Of this amount, $352 million was short-term investments for the Virginia Supplemental Retirement System and the other $348 million was invested for other special and bond accounts according to their individual needs and requirements. Included in these special accounts are the Local Government Investment Pool, the Literary Fund, the Richmond-Petersburg Turnpike Authority, and the University of Virginia Hospital Bond Account.

Fig. 2 **Treasury of Virginia Income Earned on All Funds**
(Millions of Dollars)



A yield of 10.4% was earned on the various funds managed by the Treasury. This compared favorably with the average 91-day Treasury Bill yield (9.1%) and Donoghue's average of taxable money funds (8.85%).

Fig. 3 **Treasury of Virginia Annualized Yield on Investments**



Debt Management

Prior to their issuance, General Obligation bonds of the Commonwealth must be approved by the General Assembly, the Governor, and in certain instances, the voters at statewide referendum. Article X, Section 9 of the Constitution of Virginia enumerates the types of debt that can be supported by the full faith, credit and taxing power of the Commonwealth. Section 9(a) governs the issuance of debt to meet emergencies, to refund prior obligations, or "to meet casual deficits in the revenue: for the current fiscal year." Section 9(b) governs the issuance of debt for non-revenue producing capital projects and Section 9(c) for revenue producing capital projects. Section 9(d) governs the issuance of "Special Fund" debt which is generally more complex than the bonds classified under Sections 9(a), (b) and (c). These Special Capital Improvement Revenue Bonds are supported by revenues pledged under Bond Resolutions of certain state authorities and institutions.

After the required approvals have been obtained the State Treasury directs and coordinates those activities necessary to issue all types of State Debt. In addition it manages bond proceeds, and accounts for the required sinking funds for servicing the debt.

1985 Bond Issues

This year, Treasury arranged the sale of $24.7 million Section 9(c) Higher Education Bonds at a true interest cost of 7.87%. In addition, Treasury aided the University of Virginia with its $150 million Hospital issue as well as a $95.4 million refinancing. As staff to the Virginia Public School Authority it helped with its issue of $13.5 million.

Total outstanding and authorized public debt at June 30, 1985, was $475.5 million leaving an unused borrowing capacity of $2,771.7 million. See page 21 for calculations of state debt limitations.

As depicted in Figure 4, interest rates on long-term municipal bonds fluctuated widely again in 1985, though not as much as in the early 1980s.

Fig. 4

Source: Daily Bond Buyer

Unclaimed Property

During the year 1810, the State Literary Fund was established as a permanent and perpetual means for financing public school construction. Administered by the Department of Education, this fund provides low interest rate loans to localities for this purpose. Contributions for the Literary Fund come from several sources. Two of the more substantial sources are the unclaimed property and escheats programs—both of which are administered by the Department of the Treasury.

Unclaimed Property

Virginia was among the earliest of states to enact unclaimed property legislation when it did so in 1960. Since that time every state, except Colorado, has enacted a law and in 1981 a uniform act was recommended for adoption by all states. Virginia's adoption of the Uniform Act was completed by the 1985 General Assembly.

The Unclaimed Property Act established the Commonwealth as custodian of certain properties until rightful owners can be located. It provides that such property be held in perpetuity and be used for the benefit of the public subject to legitimate claim.

As administrator of the Act, the Treasury has responsibility of soliciting reports from holders of unclaimed property, performing audits of holders' records to assure the accurate filing of reports and making positive efforts to locate and return reported property to rightful owners. During the year 5,821 reports were received from holders of unclaimed property. The amount reported was $22.7 million. Of the amount reported, $4.0 million was returned to rightful owners.

During 1983 an unclaimed property audit program was started. Auditors work as a team in reviewing holders' internal records and comparing them with the reports submitted. The purpose is to verify compliance of reporting with the Code of Virginia. Following are the results of audits since inception of the program.

($000 omitted)	1985	1984	1983
• Additional funds reported	**$10,702**	$ 3,088	$ 338
• Amounts reinstated to be reported in the future	**$18,910**	$13,073	952
Total Results	**$29,612**	$16,161	$ 1,290
Audits Completed	**24**	16	10
Average Result per audit	**$ 1,234**	$ 1,010	$ 129

Fig. 5

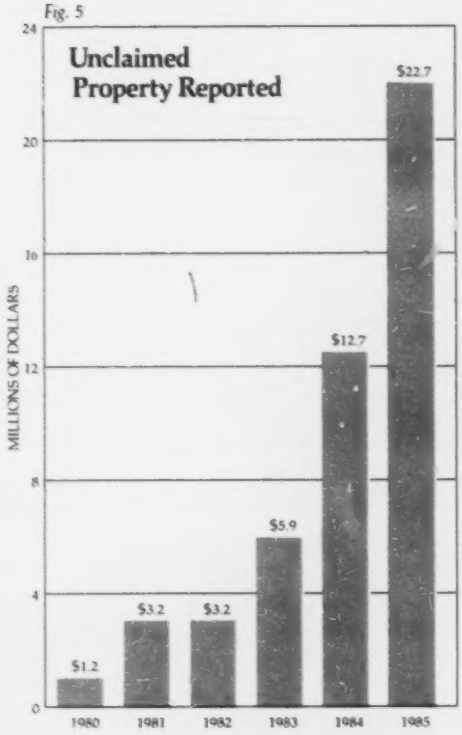
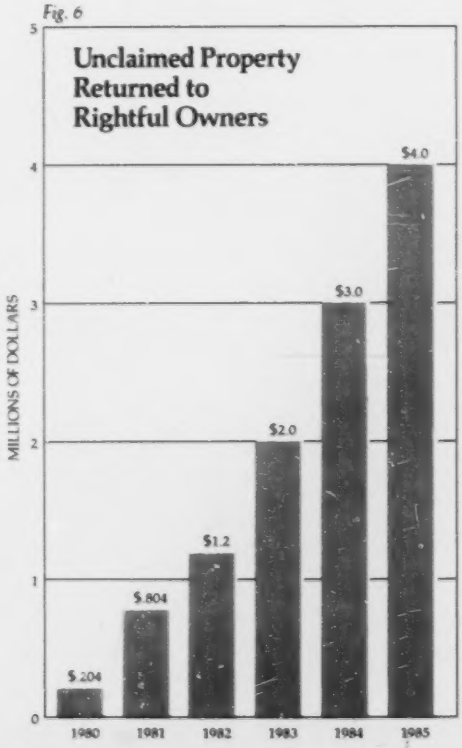


Fig. 6



Escheats

In its 1981 session the General Assembly transferred the responsibility for administration of the escheat laws to the Department of the Treasury. During fiscal year 1983, escheated properties amounted to $1.7 million. In fiscal 1984 this decreased by 42% to $1.0 million. 1985 produced only $500,000 in escheat revenue.

The laws relating to escheats provide that local Commissioners of Revenue furnish, annually in May, to the Escheator of each city or county a list of all lands in the jurisdiction that meet the conditions of abandonment, or presumed abandonment, and for which taxes are delinquent and not being paid.

After receiving the list the Escheator publishes notice of and holds an inquest to determine whether or not any land on the list has escheated to the Commonwealth. An inquest does not constitute an escheat. It is simply the means by which the State furnishes authentic evidence of its title.

Once initiated by the local Commissioner and Escheator the process follows through certification and publication of the list, petitions for the sale of the land, orders for sale, auction, report of sale and remittance of proceeds, and preparation of land grants. Thus, abandoned lands are returned or restored to good standing on local tax rolls, delinquent taxes are paid to localities and the net proceeds of the process are remitted to the Literary Fund.

Both the Unclaimed Properties Act and the laws pertaining to Escheated properties are administered by the Division of Unclaimed Property.

Both of these programs are trust and agency funded and all costs of administering them are received from actual unclaimed property collections. No costs are appropriated from General Funds. During 1985, total costs were 3.7% of monies reported. A comparison of revenues and expenses is as follows:

	Fiscal Years Ended			
	6/30/85	6/30/84	6/30/83	6/30/82
	(millions)			
Unclaimed Property Reported	**$22.7**	$12.7	$ 5.9	$ 3.3
Plus: Escheated Property	**$ 0.5**	$ 1.0	$ 1.7	$ 0.4
Gross Revenues Reported	**$23.2**	$13.6	$ 7.6	$ 3.6
Unclaimed Property Expense	**$ 0.869**	$ 0.578	$ 0.552	$ 0.242
Expense % of Gross Revenues Reported	**3.7%**	4.2%	7.3%	6.7%
Net Revenues Reported	**$22.3**	$13.1	$ 7.0	$ 3.4

Fig. 7

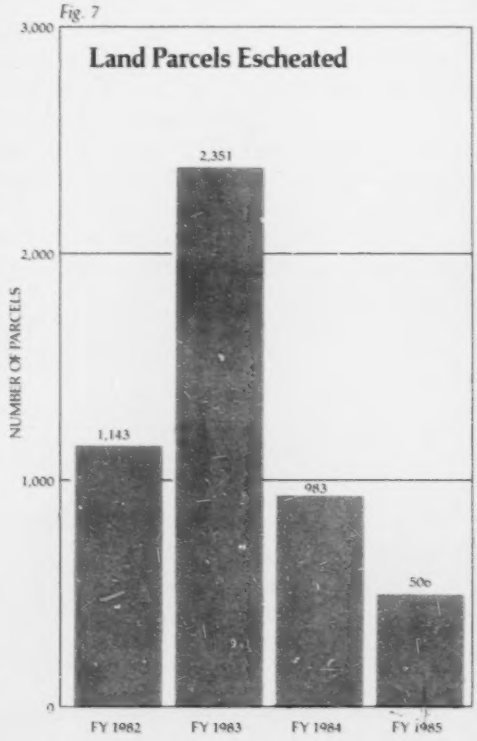
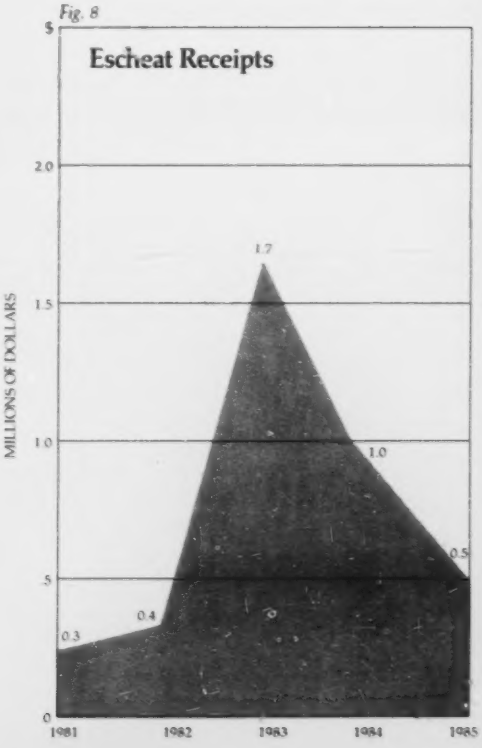


Fig. 8

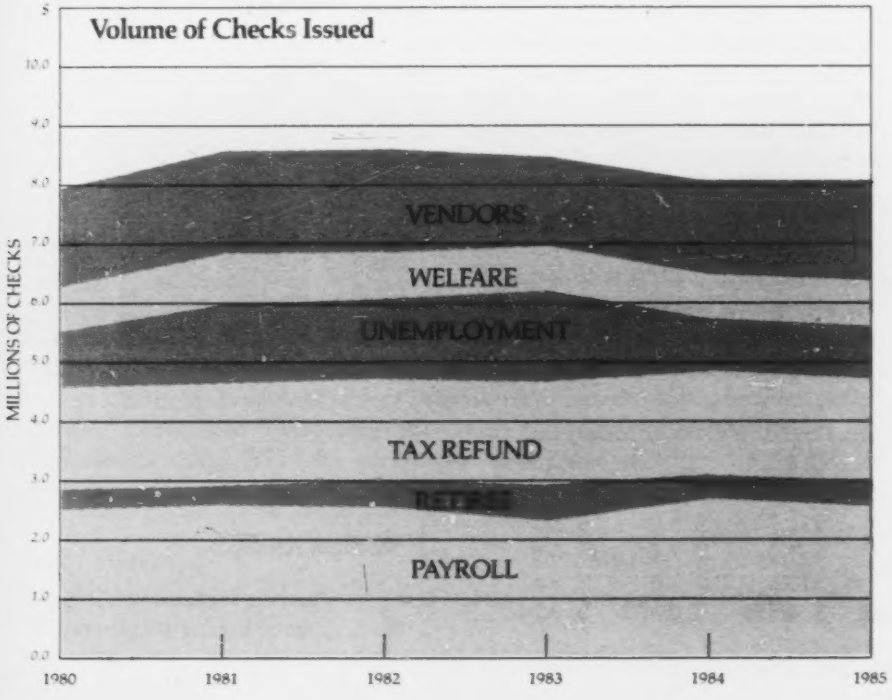


Payment Processing

During fiscal 1985, 8.0 million checks were signed and disbursed by the Treasury. As indicated by the Figure 9, this volume has not changed significantly since it hit a peak of 8.4 million in 1981. On average, 32,000 were processed through the system on each workday.

Treasury views the minimization of paper checks as one of the important cost reduction and systems streamlining opportunities available to the Commonwealth. Efforts in this direction have been initiated through the start-up of a program for direct deposit of employees' and retirees' pay. Currently 13,500 retirees and approximately 1,000 employees are participating in the direct deposit program.

FIG. 9



Other Mandated Activities

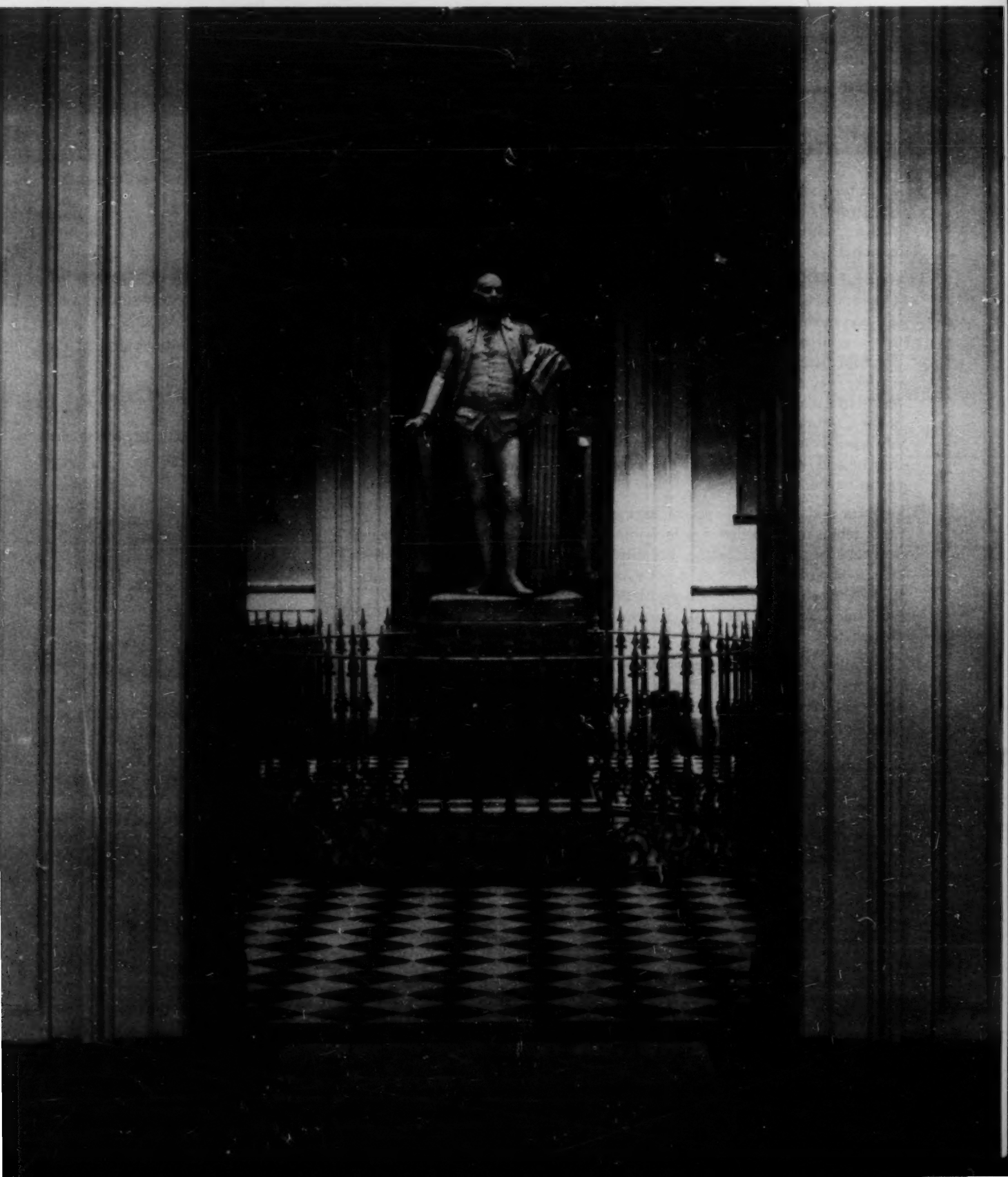
By law, the State Treasurer is a member of various authorities which are empowered to issue tax free bonds. These authorities and their purposes are:

- **TREASURY BOARD—CHAIRMAN**
  The Board provides advice and supervision in the financing of State buildings and makes recommendations to the Secretary of Finance and the Governor on methods by which capital outlay requirements of the State may be financed. It controls and manages all sinking funds and other funds in possession of the State in a fiduciary capacity, acts as issuing, sales and paying agent for bonds sold by educational institutions and State agencies other than independent authorities.
- **VIRGINIA AGRICULTURAL DEVELOPMENT AUTHORITY—COMMISSIONER**
  The Authority makes financing available for farmers and agricultural enterprises which private industry is unable to serve. Its only bond issue amounting to $1.5 million was sold in fiscal 1983.
- **STATE COUNCIL ON LOCAL DEBT—CHAIRMAN**
  The Council aids political subdivisions in the planning and marketing of bonds.
- **VIRGINIA PUBLIC BUILDING AUTHORITY—SECRETARY/TREASURER**
  The Authority was created for the purpose of constructing, improving, furnishing, maintaining, acquiring and operating public buildings for the use of the State (heretofore or hereafter constructed), State arsenals, armories, and military reserves. The Authority issued its only bonds ($108.3 million) in March, 1984, to acquire eight office buildings previously financed by the Virginia Supplemental Retirement System.
- **VIRGINIA COLLEGE BUILDING AUTHORITY—MEMBER**
  The purpose of the Authority is to purchase and sell bonds or other obligations of private higher educational institutions, to issue bonds to provide funds for the purchase of educational institution bonds, to provide security for payment of bonds and to invest any funds held by the Authority. During fiscal 1984 the Authority assisted Hampden-Sydney College ($7.2 million) and Washington and Lee University ($6.1 million).
- **VIRGINIA PUBLIC SCHOOL AUTHORITY—SECRETARY/TREASURER**
  The Authority purchases and sells local school bonds, issues bonds to provide funds for the purchase of local school bonds, provides security for payment of bonds, invests any funds held by the Authority and repays the Literary Fund for all assets transferred to the Authority from the Fund. Virginia Public School Authority had one bond sale in fiscal 1985 totaling $13.5 million.

- **VIRGINIA HOUSING DEVELOPMENT AUTHORITY—COMMISSIONER**
  The purpose of the Authority is to borrow money and issue bonds, notes or other evidences of indebtedness for sanitary and safe residential housing at prices or rentals which persons and families of persons of low and moderate income can afford. During fiscal 1984, Virginia Housing issued debt totaling $408 million. At June 30, 1984, Virginia Housing outstanding bond balances amounted to $1,979 million.
- **VIRGINIA OUTDOORS FOUNDATION—TRUSTEE**
  The purpose of the Foundation is "... to promote the public policy that preservation of the open land is in the public interest and is to be encouraged ... to accept, hold and administer gifts and bequests of money, securities or other property of whatsoever character, absolutely or in trust for the purposes of the Foundation ... to sell exchange or otherwise dispose of and to invest or reinvest in such investments as it may determine from time to time the monies securities or other property given or bequeathed to it ..."
- **VIRGINIA RESOURCES AUTHORITY—MEMBER**
  The 1984 session of the General Assembly created the authority to assist localities in financing water and sewer projects.

The Treasury provides staff services for the Treasury Board, the State Council on Local Debt, the Virginia Public Building Authority, and the Virginia Public School Authority.

Trust Account Statements



Constitutional Debt Limitations

Article X, Section 9 of the Constitution of Virginia defines the conditions under which debt may be issued by or in behalf of the Commonwealth. Section 9 is divided into four subsections.

(a) **Debts to meet emergencies and redeem previous debt obligations.** This type debt has no dollar restrictions unless it has been issued to meet casual deficits in the revenue or in anticipation of the collection of revenues for the current year within the amount of authorized appropriations. Then, the total of such indebtedness is limited to 30% of an amount equal to 1.15 times the average tax revenues of the Commonwealth derived from taxes on income and retail sales for the preceding fiscal year. Such debt must mature within twelve months of the date it is incurred.

(b) **General obligation debt for capital projects and sinking fund.** The total of such debt is limited to 25% of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales for the three fiscal years immediately preceding the authorization of such debt by the General Assembly. Also, no debt may be incurred under this subsection if the amount, when added to the aggregate amount of outstanding "full faith and credit" debt of the Commonwealth exceeds an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales for the three fiscal years immediately preceding the incurring of such debt.

(c) **Debt for certain revenue-producing capital projects.** Such debt is not included in determining the limitation on general obligation debt for capital projects as permitted elsewhere. It is restricted, however, to an amount which does not exceed 1.15 times the average annual tax revenues of the Commonwealth derived from taxes or income and retail sales, for the three fiscal years immediately preceding the incurring of such debt.

(d) **Obligations to which the restrictions of Section 9 do not apply.** Treasury acts as Trustee for State Debt Bond issues. The following pages show the calculation of outstanding debt, debt limitations, the unused borrowing capacity and accounting statements for those issues that are included in the calculation of outstanding debt.

NOTE:
See Appendix page 48 for Article X, Section 9, of the Constitution of Virginia.

Application of Constitutional State Debt Provisions

($000 Omitted)

Calculation of State Debt Limit	Fiscal Year Ended June 30, 1983	Fiscal Year Ended June 30, 1984	Fiscal Year Ended June 30, 1985
Individual and Fiduciary Income Tax	$1,552,148	$1,770,730	**$1,948,199**
Corporate Income Tax	183,215	241,723	**285,640**
State Sales and Use Tax	721,580	837,207	**930,597**
Total	$2,456,943	$2,849,660	**$3,164,436**
Average for the Three Fiscal Years			**$2,823,680**
State Debt Limit—1.15 Times This Average			**$3,247,232**
Debt Limit 9(b) Bonds ($3,247,232 x 25%)			**$ 811,808**

Outstanding 9(b) Bonds:	Issued	Outstanding	
Public Facilities Bonds—Series 1978	$125,000	$85,475	
Total Outstanding Debt			**($85,475)**
Total unused borrowing capacity under Section 9(b)			**$ 726,333**
Debt Limit 9(c) Bonds			**$3,247,232**

Outstanding 9(c) Bonds:	Issued	Outstanding	
Higher Educational Institutions Bonds			
Series 1971	$ 23,450	$ 11,600	
Series 1973	20,915	9,815	
Series 1976	19,555	13,205	
Series 1979	15,035	12,410	
Series 1981	4,932	4,497	
Series 1982	12,820	11,715	
Series 1983	68,201	65,000	
Series 1984	31,955	31,285	
Series 1985	24,690	24,690	
Total Issued and Outstanding	$221,553	$184,217	
Transportation Facilities Bonds			
Series 1973	$103,000	$ 47,000	
Series 1982	57,000	57,000	
Total Issued & Outstanding Debt	$160,000	$104,000	
Authorized But Unissued Section 9(c) Bonds:			
Higher Ed. Bonds (Chapter 81, Acts of 1983)		$ 16,032	
Higher Ed. Bonds (Chapter 20, Acts of 1984)		9,406	
Trans. Facilities Bonds (Chapter 89, Acts of 1984)		70,000	
Higher Ed. Bonds (Chapter 178, Acts of 1985)		6,419	
Total Authorized but unissued		$101,857	
Total outstanding and authorized 9(c) Debt			**$ 390,074**
Total unused Borrowing Capacity under Section 9(c)			**$2,857,158**
Total unused Borrowing Capacity under combined Sections 9(b) and 9(c)			**$2,771,683**

The following pages reflect the details pertaining to these issues.

Public Debt Sinking Funds
Statement of Conditions

($000 Omitted)

	General Prior Debt	
	June 30, 1985	June 30, 1984
Assets:		
Cash in Banks	**$ 23**	$ 12
Investments (Cost Value)	**128**	125
Total Assets	**151**	137
Amount required for redemption of debt:		
Bonds Payable	**—**	—
Old and Unfunded Debt	**369**	369
Total	**$ 520**	$ 506
Liabilities and Surplus:		
Matured Interest Payable	**1**	1
Long Term Indebtedness:		
Century, Riddleberger and Riddleberger Refunding Bonds	**3**	3
Old and Unfunded Debt	**369**	369
Mental Hospital Institutions Bond, Series 1969	**—**	—
Higher Educational Institutions Bonds, Series 1969	**—**	—
Transportation Facilities Bonds		
Series 1973	**—**	—
Series 1982	**—**	—
Public Facilities Bonds, Series	**—**	—
Total Liabilities	**373**	373
Surplus		
Available for Debt Service	**147**	133
Total	**$ 520**	$ 506

Higher Educational Institutional Bonds 9(c) Series 1971 Thru 1985		Transportation Facilities Bonds 9(c) Series 1973		Transportation Facilities Bonds 9(c) Series 1982		Public Facilities Bonds Series 1978	
June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984
$ 124	$ (52)	**$ 1**	$ 112	**$ —**	$ —	**$ —**	$ —
1,138	990	**30,643**	38,500	**1,719**	—	**—**	—
1,262	938	**30,644**	38,612	**1,719**	—	**—**	—
184,217	166,087	**47,000**	47,000	**57,000**	57,000	**85,475**	92,050
—	—	**—**	—	**—**	—	**—**	—
$185,479	$167,025	**$ 77,644**	$ 85,612	**$ 58,719**	$ 57,000	**$ 85,475**	$ 92,050
—	—	**—**	—	**—**	—	**—**	—
—	—	**—**	—	**—**	—	**—**	—
—	—	**—**	—	**—**	—	**—**	—
—	—	**—**	—	**—**	—	**—**	—
184,217	166,087	**—**	—	**—**	—	**—**	—
—	—	**47,000**	47,000	**—**	—	**—**	—
—	—	**—**	—	**57,000**	57,000	**—**	—
—	—	**—**	—	**—**	—	**—**	—
184,217	166,087	**47,000**	47,000	**57,000**	57,000	**85,475**	92,050
1,262	938	**30,644**	38,612	**1,719**	—	**—**	—
$185,479	$167,025	**$ 77,644**	$ 85,612	**$ 58,719**	$ 57,000	**$ 85,475**	$ 92,050

Public Debt
Detail of Long Term Indebtedness

($000 Omitted)

	Amount	Date of Sale	Interest Cost
Bonds or Certificates:			
Century	$ 18,115	2-20-91	—
Riddleberger Refunding	2,440	32-3-32	—
Higher Educational Institutions Bonds:			
Series 1971	23,450	11-16-71	4.5246%
Series 1973	20,915	7-17-73	4.8927%
Series 1976	19,555	6- 3-76	5.2467%
Series 1979 A and B	11,340	6-12-79	5.2294%
Series 1979 C	3,695	6-30-80	3.00%
Series 1981	4,932	11-17-81	3.00%
Series 1982 A and B	12,820	1-27-82	10.9677%
Series 1983 A, B, and C	11,186	3-16-83	3.00%
Series 1983 D, E, F, and G	57,015	3-16-83	7.9395%
Series 1984 A	2,890	4-24-84	3.00%
Series 1984 B and C	29,065	4-25-84	9.04333%
Series 1985	24,690	5-15-85	7.8768%

Date of Bonds	Interest Rate	Outstanding July 1, 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
					Called for redemption
7- 1-91	3.00%	$ 2	—	**$ 2**	1-1-37
7- 1-32	4.00%	1	—	**1**	7-1-62
12- 1-71	4.30%	1,400	1,400	**—**	
	4.50%	8,000	—	**8,000**	6-1-86/90
	4.00%	3,600	—	**3,600**	6-1-91/92
8- 1-73	5.50%	945	945	**—**	
	4.90%	4,240	—	**4,240**	2-1-86/89
	5.00%	3,750	—	**3,750**	2-1-90/92
	3.50%	1,825	—	**1,825**	2-1-93/94
6- 1-76	5.25%	14,085	880	**13,205**	6-1-86/96
6- 1-79					
	5.10%	1,375	430	**945**	6-1-86/87
	5.25%	8,200	—	**8,200**	6-1-88/99
6- 1-80	3.00%	3,355	90	**3,265**	6-1-86/09
11-17-81	3.00%	4,612	115	**4,497**	6-1-86/11
2- 1-82	12.00%	3,960	365	**3,595**	6-1-86/92
	11.00%	1,400	—	**1,400**	6-1-93/94
	11.10%	725	—	**725**	6-1-95
	11.30%	775	—	**775**	6-1-96
	11.40%	850	—	**850**	6-1-97
	11.50%	925	—	**925**	6-1-98
	11.60%	2,150	—	**2,150**	6-1-99/00
	8.00%	1,295	—	**1,295**	6-1-01
4- 8-83	3.00%	10,950	240	**10,710**	6-1-86/13
4- 1-83	7.25%	12,755	1,425	**11,350**	6-1-86/91
	7.30%	2,475	—	**2,475**	6-1-92
	7.40%	2,650	—	**2,650**	6-1-93
	7.60%	2,875	—	**2,875**	6-1-94
	7.75%	3,100	—	**3,100**	6-1-95
	7.90%	3,325	—	**3,325**	6-1-96
	8.00%	3,600	—	**3,600**	6-1-97
	8.10%	3,900	—	**3,900**	6-1-98
	8.20%	4,200	—	**4,200**	6-1-99
	8.25%	4,530	—	**4,530**	6-1-00
	8.30%	12,285	—	**12,285**	6-1-01/03
4-24-84	3.00%	2,890	110	**2,780**	6-1-86/04
5- 1-84	12.25%	5,235	560	**4,675**	6-1-86/91
	8.00%	1,050	—	**1,050**	6-1-92
	8.25%	1,125	—	**1,125**	6-1-93
	8.50%	1,250	—	**1,250**	6-1-94
	8.60%	1,350	—	**1,350**	6-1-95
	8.80%	1,475	—	**1,475**	6-1-96
	9.00%	1,600	—	**1,600**	6-1-97
	9.10%	1,725	—	**1,725**	6-1-98
	9.20%	1,900	—	**1,900**	6-1-99
	9.25%	9,455	—	**9,455**	6-1-00/03
	7.00%	2,900	—	**2,900**	6-1-04
6- 1-85	7.60%	—	7,625*	**7,625**	6-1-85/95
	7.70%	—	2,425*	**2,425**	6-1-96/97
	7.80%	—	1,375*	**1,375**	6-1-98
	7.90%	—	1,475*	**1,475**	6-1-99
	8.00%	—	11,790*	**11,790**	6-1-00/05

Public Debt
Detail of Long Term Indebtedness
($000 Omitted)

	Amount	Date of Sale	Interest Cost
Transportation Facilities Bonds:			
Series 1973	103,000	12- 4-73	24.754%
Series 1982	57,000	12- 1-82	9.1023%
Public Facilities Bonds:			
Series 1978	$125,000	12-13-77	4.6774%
Old and Unfunded Debt:			

Date of Bonds	Interest Rate	Outstanding July 1, 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
					Called for redemption
12- 1-73	4.75%	$ 47,000	—	**$ 47,000**	6-1-93
12- 1-82	11.90%	500	—	**500**	12-1-86
	12.00%	5,300	—	**5,300**	12-1-87/91
	8.00%	1,500	—	**1,500**	12-1-92
	8.25%	1,600	—	**1,600**	12-1-93
	8.50%	1,750	—	**1,750**	12-1-94
	8.75%	2,000	—	**2,000**	12-1-95
	8.90%	2,250	—	**2,250**	12-1-96
	9.00%	11,100	—	**11,100**	12-1-97/00
	8.75%	31,000	—	**31,000**	12-1-07
1- 1-78	4.50%	32,875	6,575	**26,300**	8-1-85/88
	4.60%	19,725	—	**19,725**	8-1-89/91
	4.70%	6,575	—	**6,575**	8-1-92
	4.75%	6,575	—	**6,575**	8-1-93
	4.80%	13,150	—	**13,150**	8-1-94/95
	4.90%	13,150	—	**13,150**	8-1-94/97
		369	—	**369**	8-1-96/97
			24,690*		
		$362,489	$ 13,135	**$374,064**	

Institutions of Higher Education Revenue Bonds
Details of Long Term Indebtedness

($000 Omitted)

	Amount Issued	Bonds Dated
Detail for Higher Educational Institutions Bonds, 9(c):		
Series 1971		12- 1-71
Longwood College:		
Dormitory	$ 4,250	
James Madison University:		
Physical Education Building	3,455	
Student Activities Building	1,645	
Dormitory	4,700	
University of Virginia:		
Parking Garage	200	
Dormitory	600	
Virginia Polytechnic Institute and State University:		
Dormitory	3,650	
College of William and Mary:		
Dormitory	2,800	
Physical Education Building	2,150	
Series 1973		8- 1-73
George Mason University:		
Student Union Building	1,670	
Christopher Newport College:		
Campus Center	915	
Longwood College:		
Dining Hall	400	
James Madison University:		
Dining Hall	810	
Reed Infirmary	310	
Dormitory	2,735	
Norfolk State University:		
Cafeteria and Dining Hall	665	
Radford University:		
Student Activities Building	2,075	
Old Dominion University:		
Dormitory	3,640	
University of Virginia:		
Dining Hall	950	
Student Apartments	1,200	
Dormitory	1,750	
Virginia Military Institute:		
Lejeune and Crozet Halls	125	
College of William and Mary:		
Infirmary Building	570	
Series 1976		6- 1-76
George Mason University:		
Student Union Building	1,600	
James Madison University:		
Dormitory	2,550	
Outdoor Recreational Athletic Facilities	750	
University of Virginia:		
Lambeth Field Housing	5,200	
Virginia Commonwealth University:		
Parking Facilities	4,900	
Virginia Polytechnic Institute and State University:		
Bookstore	1,200	
Virginia State University:		
Renovation of Dining Hall	355	
College of William and Mary:		
Renovation of Dormitories	3,000	

Interest Rate	Outstanding July 1, 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
4.50 to 4.00%				6- 1-86/92
	$ 2,170	$ 260	**$ 1,910**	
	2,047	208	**1,839**	
	974	99	**875**	
	2,784	283	**2,501**	
	121	12	**109**	
	314	33	**281**	
	1,960	205	**1,755**	
	1,488	170	**1,318**	
	1,142	130	**1,012**	
5.50 to 3.50%				2- 1-86/94
	935	95	**840**	
	580	55	**525**	
	220	25	**195**	
	485	40	**445**	
	195	15	**180**	
	1,730	135	**1,595**	
	415	40	**375**	
	1,320	105	**1,215**	
	2,100	200	**1,900**	
	565	50	**515**	
	745	60	**685**	
	1,085	85	**1,000**	
	25	10	**15**	
	360	30	**330**	
5.25%				6- 1-86/96
	1,305	50	**1,255**	
	1,795	125	**1,670**	
	520	35	**485**	
	3,600	250	**3,350**	
	3,530	215	**3,315**	
	860	55	**805**	
	255	15	**240**	
	2,220	135	**2,085**	

Institutions of Higher Education Revenue Bonds
Details of Long Term Indebtedness

($000 Omitted)	Amount Issued	Bonds Dated
Detail for Higher Educational Institutions Bonds, 9(c):		
Series 1979		6- 1-79
George Mason University:		
Student Housing	$ 4,100	
James Madison University:		
Dormitory Complex	875	
Dormitory Complex	3,695	6 1-80
Theatre Addition to Warren Center	1,300	
Christopher Newport College:		
Tennis Courts	70	
Norfolk State University:		
Student Housing	1,640	
Old Dominion University:		
Addition to Student Center	2,000	
University of Virginia:		
Executive Center Housing	715	
Copley Hall—Graduate Housing	640	
Series 1981		
Virginia Commonwealth University:		
Low Rise Dormitory	4,932	11-17-81
Series 1982		2- 1-82
Longwood College:		
Athletic Fields	100	
Physical Education Building	630	
Mary Washington College:		
Willard Hall Renovation	1,570	
Old Dominion University:		
Powhatan Field Apartments	2,005	
University of Virginia:		
Medical Center Parking	1,850	
Food Service Building	850	
Virginia Commonwealth University:		
Low Rise Dormitory	505	
Ramp to Parking Deck	610	
College of William and Mary:		
Randolph Residence	3,500	
Cary Field Renovation	1,200	
Series 1983		4- 1-83
George Mason University:		
Field House	4,905	
Residence Halls	7,950	
University Union	6,750	
James Madison University:		
Convocation Center	7,000	
Longwood College:		
Dining Hall Renovation	115	
French Dormitory Renovation	690	
Old Dominion University:		
Powhatan Field Apartments Phase II	560	
Mid-rise Dormitory	6,000	
Gresham Dormitory Renovation	1,210	
Powhatan Field Apartments Phase II	3,636	4- 8-83
Mid-rise Dormitory	3,500	4- 8-83
Radford University:		
Recreation and Convocation Center	3,500	
University of Virginia:		
Clinch Valley College—Student Union	585	
Newcomb Hall Additions	2,800	
Student Housing	5,000	
Virginia Commonwealth University:		
Low Rise Dormitory	4,050	4- 8-83
Academic Campus Parking Deck	4,600	
Medical College Gymnasium	850	

Interest Rate	Outstanding July 1, 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
5.10 to 5.25%				6- 1-86/93
	$ 3,465	$ 150	**$ 3,315**	
	730	35	**695**	
3.00%	3,355	90	**3,265**	6- 1-86/09
	1,080	50	**1,030**	
	45	5	**40**	
	1,395	60	**1,335**	
	1,705	85	**1,620**	
	600	25	**575**	
	555	20	**535**	
3.00%	4,612	115	**4,497**	6- 1-86/11
12.00 to 8.00%				6- 1-86/11
	90	5	**85**	
	595	15	**580**	
	1,505	30	**1,475**	
	1,915	40	**1,875**	
	1,765	35	**1,730**	
	810	15	**795**	
	475	10	**465**	
	555	40	**515**	
	3,255	130	**3,125**	
	1,115	45	**1,070**	
7.25 to 8.30%				6- 1-86/03
	4,790	130	**4,660**	
	7,750	200	**7,550**	
	6,590	175	**6,415**	
	6,850	165	**6,685**	
	110	5	**105**	
	675	15	**660**	
	550	15	**535**	
	5,870	140	**5,730**	
	1,185	25	**1,160**	
3.00%	3,560	80	**3,480**	6- 1-86/13
3.00%	3,425	75	**3,350**	6- 1-86/13
	3,420	95	**3,325**	
	575	15	**560**	
	2,740	65	**2,675**	
	4,895	120	**4,775**	
3.00%	3,965	85	**3,880**	6- 1-86/13
	4,490	120	**4,370**	
	830	20	**810**	

Institutions of Higher Education Revenue Bonds
Details of Long Term Indebtedness

($000 Omitted)

	Amount Issued	Bonds Dated
Detail for Higher Educational Institutions Bonds, 9(c):		
Virginia Military Institute:		
Auditorium and Athletic Facility	$ 4,500	
Series 1984:		5- 1-84
Christopher Newport College:		
Athletic Track	365	
Campus Center	2,215	
George Mason University:		
Parking Lot VIII	840	
James Madison University		
210 Bed Dormitory	2,480	
138 Bed Dormitory	2,060	
Football Stadium Seating	2,300	
Longwood College:		
Main and North Cunningham Renovation	735	
Norfolk State University:		
Health and ROTC Building	2,400	
Old Dominion University:		
Rogers Hall Renovation	1,510	
Life Sciences Building Parking	1,350	
Athletic Facilities Renovation	4,000	
University of Virginia:		
Clinch Valley Housing	515	
Virginia Commonwealth University:		
Student Commons	6,875	
Low Rise Dorm Phase II	1,420	
Dormitory Renovation	2,890	4-24-84
Series 1985:		6- 1-85
George Mason University:		
Parking Lot IX	840	
Residence Halls II, Phase II	2,000	
Physical Education, Phase III	12,750	
James Madison University:		
Warren Campus Center Addition	3,350	
University of Virginia:		
Observatory Dining Hall Addition	870	
Sponsor's Hall Addition	1,820	
Student Activity Building	560	
Virginia Commonwealth University:		
Parking Deck E	2,500	
Total		

Interest Rate	Outstanding July 1, 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
	$ 4,395	$ 120	**$ 4,275**	
12.25 to 7.00%				6- 1-86/04
	365	5	**360**	
	2,215	45	**2,170**	
	840	15	**825**	
	2,480	50	**2,430**	
	2,060	40	**2,020**	
	2,300	45	**2,255**	
	735	15	**720**	
	2,400	45	**2,355**	
	1,510	30	**1,480**	
	1,350	25	**1,325**	
	4,000	75	**3,925**	
	515	10	**505**	
	6,875	135	**6,740**	
	1,420	25	**1,395**	
3.00%	2,890	110	**2,780**	6- 1-86/04
				6- 1-86/05
7.60 to 8.00%	—	840*	**840**	
	—	2,000*	**2,000**	
	—	12,750*	**12,750**	
	—	3,350*	**3,350**	
	—	870*	**870**	
	—	1,820*	**1,820**	
	—	560*	**560**	
	—	2,500*	**2,500**	
		24,690*		
	166,087	6,560	**184,217**	

Transportation Facilities Bonds 9(c)
Series 1973 & 1982
Comparison of Revenue Statements

($000 Omitted)

	Series 1973		Series 1982
	June 30, 1985	June 30, 1984	June 30, 1985
Beginning Cash Balance	**$ 76**	$ 121	**$ —**
Receipts:			
Toll Revenue Facilities	**21,351**	20,041	**5,599**
Interest on Investments	**3,632**	3,812	**68**
Miscellaneous Income	**115**	214	**2**
Total Additions to Fund	**25,098**	24,067	**5,669**
Other Receipts:			
Investments Sold or Matured	**3,397,289**	5,389,695	**72,038**
Total Receipts	**3,422,387**	5,413,762	**77,707**
Total Receipts and Balance	**3,422,463**	5,413,883	**77,707**
Disbursements:			
Investments Purchased	**3,398,356**	5,389,148	**75,997**
Transfers:			
Revenue Operating Fund	**7,970**	7,072	**—**
Reserve Maintenance Fund	**4,992**	5,994	**—**
Sinking Fund	**7,323**	11,593	**—**
Construction II	**3,506**	—	**—**
Appropriation Account for Construction	**—**	—	**1,047**
Total Disbursements	**3,422,147**	5,413,807	**77,044**
Ending Cash Balance	**316**	76	**663**
Investment Balance	**4,967**	3,900	**3,959**
Account Balance	**$ 5,283**	$ 3,976	**$ 4,622**

Non-Public Debt

($000 omitted)

In addition to being trustee for the bond issues that constitute state debt, the Treasury is trustee for certain bonds issued independently by Higher Education Institutions and certain authorities and agencies of the Commonwealth. At June 30, 1985, the total outstanding debt in this category was as follows:

Institution	Outstanding Debt
Medical College of Virginia Hospitals	
Series 1977A	$ 60,270
Series 1983B	$ 37,400
Virginia Port Authority	
Series 1978	$ 4,125
Series 1980	$ 5,795
University of Virginia	
Series B	$ 40,000
Series C	$ 95,387
Higher Education Revenue Bonds	$ 49,024
Total	$292,001

The following pages reflect the details pertaining to these issues.

Special Capital Improvement Revenue Bond Fund
Statement of Financial Condition

($000 Omitted)

	Medical College of Virginia Hospitals		Virginia Port Authority Series 1978		Virginia Port Authority Series 1980		University of Virginia Hospital	Totals	
	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1985	June 30, 1984
Assets:									
Cash and Investment.....	**$ 669**	$ 15,159	**$1,253**	$1,278	**$1,439**	$1,512	**$ 32,723**	**$ 36,084**	17,949
Bonds Payable.....	**97,670**	99,105	**4,125**	5,125	**5,795**	6,395	**135,387**	**242,977**	110,625
Total.....	**98,339**	114,264	**5,378**	6,403	**7,234**	7,907	**168,110**	**279,061**	128,574
Liabilities And Surplus:									
Liabilities:									
Long Term Indebtedness:									
Medical College of Virginia:									
Series A.....	**60,270**	61,705	**—**	—	**—**	—	**—**	**60,270**	61,705
Series B.....	**37,400**	37,400	**—**	—	**—**	—	**—**	**37,400**	37,400
University of Virginia:									
Series B.....	**—**	—	**—**	—	**—**	—	**40,000**	**40,000**	—
Series C.....	**—**	—	**—**	—	**—**	—	**95,387**	**95,387**	—
Virginia Port Authority:									
Norfolk International Terminals.....									
Series 1978....	**—**	—	**4,125**	5,125	**—**	—	**—**	**4,125**	5,125
Newport News Marine Terminals									
Series 1980....	**—**	—	**—**	—	**5,795**	6,395	**—**	**5,795**	6,395
Total Liabilities	**97,670**	99,105	**4,125**	5,125	**5,795**	6,395	**135,387**	**242,977**	110,625
Surplus:									
Available for Debt Service	**669**	15,159	**1,253**	1,278	**1,439**	1,512	**32,723**	**36,084**	17,949
Total.....	**$98,339**	$114,264	**$5,378**	$6,403	**$7,234**	$7,907	**$168,110**	**$279,061**	$128,574

Special Capital Improvement Revenue Bonds
Detail of Long Term Indebtedness

($000 Omitted)

	Amount	Date of Sale	Date of Bonds	Interest Rate	Outstanding July, 1 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
Virginia Commonwealth University/ Medical College of Virginia Hospital, REVENUE BONDS, Series A	$64,400	9-30-77	11-1-77	4.55 %	$ 1,435	$ 1,435	$ —	
				4.70	1,500	—	**1,500**	7-1-85
				4.80	1,575	—	**1,575**	7-1-86
				4.90	1,650	—	**1,650**	7-1-87
				5.00	1,730	—	**1,730**	7-1-88
				5.10	1,815	—	**1,815**	7-1-89
				5.20	1,910	—	**1,910**	7-1-90
				5.30	2,010	—	**2,010**	7-1-91
				5.40	2,115	—	**2,115**	7-1-92
				5.45	2,230	—	**2,230**	7-1-93
				5.55	2,350	—	**2,350**	7-1-94
				5.65	2,480	—	**2,480**	7-1-95
				5.70	5,390	—	**5,390**	7-1-96/97
Medical College of Virginia Hospital REVENUE BONDS				5.90	33,515	—	**33,515**	7-1-2006
Series B	$37,400	6- 3-83	6-1-83	7.50 %	1,915	—	**1,915**	7-1-87
				7.80	2,055	—	**2,055**	7-1-88
				8.10	2,215	—	**2,215**	7-1-89
				8.40	2,395	—	**2,395**	7-1-90
				8.75	2,595	—	**2,595**	7-1-91
				9.00	2,825	—	**2,825**	7-1-92
				9.15	3,080	—	**3,080**	7-1-93
				9.30	2,970	—	**2,970**	7-1-94
				9.40	2,655	—	**2,655**	7-1-95
Virginia Port Authority- Norfolk International Terminals Revenue				9.50	2,140	—	**2,140**	7-1-96
				9.875	12,555	—	**12,555**	7-1-2007
Bonds of 1978	$10,300	6-23-78	7-1-78	5.20 %	500	500	—	11-1-84
				5.30	1,000	500	**500**	5-1 and 11-1-85
				5.40	1,000	—	**1,000**	5-1 and 11-1-86
				5.45	1,000	—	**1,000**	5-1 and 11-1-87
				5.50	625	—	**625**	5-1 and 11-1-88
				5.55	250	—	**250**	5-1 and 11-1-89
				5.60	250	—	**250**	5-1 and 11-1-90
				5.70	250	—	**250**	5-1 and 11-1-91
Newport News Marine Terminal Revenue				5.75	250	—	**250**	5-1 and 11-1-92
Bonds of 1980	$10,345	10-28-80	11-1-80	7.80 %	600	600	—	
				8.00	645	—	**645**	7-1-85
				8.25	700	—	**700**	7-1-86
University of Virginia Hospital				9.00	4,450	—	**4,450**	7-1-91
Series B	$40,000	12-20-84	11-1-84	7.50%	—	40,000*	**40,000**	12-1-02/09
Series C	$95,387	6-20-85	5-1-85	6.60 %	—	2,205*	**2,205**	6-1-89
				6.90	—	2,350*	**2,350**	6-1-90
				7.20	—	2,510*	**2,510**	6-1-91
				7.40	—	2,690*	**2,690**	6-1-92
				7.60	—	2,890*	**2,890**	6-1-93
				7.75	—	3,110*	**3,110**	6-1-94
				7.90	—	3,350*	**3,350**	6-1-95
				8.10	—	3,615*	**3,615**	6-1-96
				8.30	—	3,910*	**3,910**	6-1-97
				8.50	—	2,475*	**2,475**	6-1-98
				8.60	—	2,680*	**2,680**	6-1-99
				8.75	—	2,915*	**2,915**	6-1-00
				8.875	—	10,375*	**10,375**	6-1-01/03
				9.375	—	6,292*	**6,292**	6-1-04/07
				9.00	—	44,020*	**44,020**	6-1-08/13
						$135,387*		
Total					$110,625	$ 3,035	**$242,977**	

Institutions of Higher Education Revenue Bonds
Details of Long Term Indebtedness

($000 Omitted)

	Amount Issued	Bonds Dated
Revenue Bonds:		
Longwood College:		
Dormitory—1958	$ 376	2- 1-58
James Madison University:		
Dining Hall—1963	600	9- 1-63
Dormitory—1958	665	2- 1-58
Dormitory—1963	410	9- 1-63
Dormitory—1965	1,100	5- 1-65
Dormitory—1967	1,720	3-15-67
Dormitory—1968	1,000	3-15-68
Mary Washington College:		
Dormitory—1961	500	7- 1-61
Dormitory—1965	1,335	5- 1-65
Norfolk State University:		
Dormitory—1968	2,500	10- 1-68
Dormitory—1982	4,300	4-23-82
Radford University:		
Dormitory—1964	1,340	12- 1-64
Dormitory—1965	1,925	5- 1-65
Dormitory and Dining Hall Facilities—1968	5,995	5-15-68
University of Virginia:		
Clinch Valley College Faculty Housing—1958	150	11- 1-58
Clinch Valley College Dormitory—1969	455	5- 1-69
Clinch Valley College Dormitory—1973	500	11- 1-73
Dormitory—1962	3,000	6-15-62
Student Apartment—1962	1,200	10- 1-62
Student Apartment and Dormitory Building—1965	4,100	5- 1-65
Student Housing System—1984	11,500	8- 3-84
Virginia Commonwealth University		
General Academic Division:		
Dormitory—1965	4,630	5- 1-65
Medical College of Virginia Health Sciences Divisions:		
Clinical Center—1965	3,000	5- 1-65
Dormitory—1957	1,113	11- 1-57
Dormitory—1965	1,600	5- 1-65
Virginia Polytechnic Institute and State University:		
Dormitory and Dining Hall System—1965	9,600	5- 1-65
Dormitory and Dining Hall System—1968	8,600	5- 1-68
Student Center—1968	2,500	5- 1-68
Dormitory and Dining Hall System—1984A	8,300	8- 3-84
Dormitory and Dining Hall System—1985B	4,850	8- 3-84
Virginia State University:		
Dormitory—1965	730	5- 1-65
Physical Education Building and Gym—1965	760	5- 1-65
College of William and Mary:		
Dormitory—1967	2,245	3-15-67
Total		

Interest Rate	Outstanding July 1, 1984	Issued* Retired During Year	Outstanding June 30, 1985	Maturity
3.70%	$ 22	$ 22	$ —	
3.30%	40	40	—	
3.70%	71	38	**33**	8- 1-85
3.30%	115	20	**95**	9- 1-85/88
3.60%	300	60	**240**	5- 1-86/90
4.00%	625	95	**530**	3-15-86/90
4.60%	250	70	**180**	3-15-86/90
4.00%	83	27	**56**	7- 1-85/86
3.50%	25	25	—	
4.75%	275	135	**140**	4- 1-85/86
4.90%	905	—	**905**	4- 1-87/92
3.00%	4,300	448	**3,852**	12- 1-85/21
3.40%	155	90	**65**	12- 1-85
3.60%	190	130	**60**	5-15-86
4.75%	1,565	360	**1,205**	5-15-86/88
4.80%	860	—	**860**	5-15-89/90
2.875%	57	57	—	
3.00%	390	390	—	
7.50%	30	5	**25**	5- 1-86/88
5.875%	10	—	**10**	5- 1-89
5.50%	60	—	**60**	5- 1-90/95
5.60%	55	—	**55**	5- 1-92/99
5.75%	175	—	**175**	5- 1-00/07
5.875%	120	—	**120**	5- 1-08/11
3.50%	1,115	125	**990**	6-15-86/92
3.30%	270	65	**205**	10- 1-85/87
3.50%	205	205	—	
3.60%	1,145	—	**1,145**	5- 1-86/90
variable	—	11,500*		
	—	200	**11,300**	6- 1-86/04
3.50%	250	250	—	
3.60%	1,255	—	**1,255**	5- 1-86/90
3.50%	165	165	—	
3.60%	845	—	**845**	5- 1-86/90
2.75%	343	35	**308**	11- 1-85/93
3.50%	85	85	—	
3.60%	450	—	**450**	5- 1-86/90
3.50%	625	625	—	
3.60%	3,455	—	**3,455**	5- 1-86/90
4.70%	725	230	**495**	5- 1-86/87
4.80%	5,455	—	**5,455**	5- 1-88/94
4.50%	110	110	—	
4.85%	1,080	—	**1,080**	5- 1-86/93
3.00%	165	—	**165**	5- 1/94
variable	—	8,300*		6- 1-86/04
	—	200	**8,100**	
variable	—	4,850*		6- 1-86/04
	—	100	**4,750**	
3.60%	90	50	**40**	5- 1-86
3.50%	70	70	—	
4.00%	465	145	**320**	3-15-86/87
	$ 29,046	$ 24,650*	**$ 49,024**	
		4,672		

Institutions of Higher Education Revenue Bonds
Statement of Condition of the Sinking and Debt Funds

($000 Omitted)

	Cash and Investments	Amount Required for Debt Redemption
Revenue Bonds:		
Longwood College:		
Dormitory—1958	$ —	$ —
James Madison University:		
Dining Hall—1963	—	—
Dormitory—1958	98	—
Dormitory—1963	136	—
Dormitory—1965	305	—
Dormitory—1967	444	86
Dormitory—1968	285	—
Mary Washington College:		
Dormitory—1961	100	—
Dormitory—1965	126	—
Norfolk State University:		
Dormitory—1968	570	475
Dormitory—1982	44	3,808
Radford University:		
Dormitory and Infirmary—1962	—	—
Dormitory—1964	193	—
Dormitory—1965	255	—
Dormitory and Dining Hall Facilities—1968	1,513	588
University of Virginia:		
Clinch Valley College Dormitory—1973	87	360
Dormitory—1962	1,809	680
Student Apartment—1962		
Student Apartment & Dormitory—1965		
Student Housing System—1984	649	10,651
Virginia Commonwealth University:		
General Academic Division:		
Dormitory—1965	1,107	181
Medical College of Virginia—Health Science Division:		
Dormitory—1957	29	279
Dormitory—1965	414	47
Clinical Center—1965	917	—
Virginia Polytechnic Institute and State University:		
Dormitory and Dining System—Reserve	1,297	8,108
Dormitory and Dining Hall System—1965	707	—
Dormitory and Dining Hall System—1968	387	—
Dormitory and Dining Hall System—1984	—	12,850
Student Center:		
Reserve Account	183	1,062
Student Center—1968	288	—
Virginia State University:		
Dormitory—1965	110	—
Physical Education Building and Gym—1965	82	—
College of William and Mary:		
Dormitory—1967	584	—
Total	$ 12,719	$ 39,175

Total June 30, 1985	Matured Bonds and Interest Payable	Bonds Payable	Surplus	Total June 30, 1985
$ —	$ —	$ —	$ —	$ —
—	—	—	—	—
98	—	33	65	98
136	—	95	41	136
305	11	240	54	305
530	—	530	—	530
285	—	180	105	285
100	—	56	44	100
126	—	—	126	126
1,045	—	1,045	—	1,045
3,852	—	3,852	—	3,852
—	—			—
193	1	65	127	193
255	—	60	195	255
2,101	36	2,065	—	2,101
447	2	445	—	447
2,489	149	2,340	—	2,489
11,300	—	11,300		11,300
1,288	33	1,255	—	1,288
308	—	308	—	308
461	11	450	—	461
917	—	845	72	917
9,405	—	9,405	—	9,405
707	22	—	685	707
387	11	—	376	387
12,850	—	12,850	—	12,850
1,245	—	1,245	—	1,245
288	4	—	284	288
110	—	40	70	110
82	—	—	82	82
584	5	320	259	584
$ 51,894	$ 285	$ 49,024	$ 2,585	$ 51,894

Literary Fund
Statement of Receipts and Disbursements
($000 Omitted)

	June 30, 1985	June 30, 1984
Beginning Cash Balance	**$ 31**	$ (176)
Receipts:		
Additions to Fund:		
Escheats	**(21)**	646
Fines and forfeitures	**17,019**	17,463
Unclaimed Property Act	**8,000**	6,000
Interest on Loans	**755**	488
Income earned on invested funds	**1,463**	3,074
Miscellaneous		28
Transfers from Virginia Public School Authority		
Principal payments on Literary Fund Loans	**17,554**	14,120
Interest payments on Literary Fund Loans	**5,823**	6,029
Interest earned on invested funds	**556**	572
Sub Total	**51,149**	48,420
Other Receipts:		
Investments Matured	**2,970,107**	3,032,799
Total Receipts	**3,021,256**	3,081,219
Total Receipts and Balance	**3,021,287**	3,081,043
Disbursements:		
Loans to Counties, Cities and Towns	**22,511**	19,417
Appropriation to Department of Education for Teacher Retirement	**10,000**	44,388
Investments Purchased	**2,988,789**	3,017,207
Total Disbursements	**$3,021,300**	$3,081,012
Fund Balance—June 30	**(13)**	31

Virginia Public School Authority
Statement of Condition of Funds

($000 Omitted)

	Purchase Fund		Income Fund	
	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984
Assets:				
Cash	**$ 1**	$ 95	**$ (987)**	$ (67)
Investments:				
School Bonds	**198,670**	202,450	**—**	—
U.S. Treasury and Agency Obligations	**—**	—	**6,141**	5,940
Literary Fund	**—**	—	**—**	—
Total Assets	**$198,671**	$202,545	**$ 5,154**	$ 5,873
Liabilities:				
Long Term Indebtedness				
Bonds payable	**198,670**	202,450	**—**	—
Total Liabilities	**198,670**	202,450		
Fund Balance:				
Available	**1**	95	**5,154**	5,873
Invested in Local School Bonds	**—**	—	**—**	—
Invested in Literary Fund Loans	**—**	—	**—**	—
Total	**$198,671**	$202,545	**$ 5,154**	$ 5,873

Reserve Fund		General Fund		Totals	
June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984	June 30, 1985	June 30, 1984
$ 254	$ (85)	**$ 1**	$ 96	**$ (731)**	$ 39
—	—	**—**	—	**198,670**	202,450
9,826	16,665	**1,463**	1,647	**17,430**	24,252
210,959	203,943	**—**	—	**210,959**	203,943
221,039	$220,523	**$ 1,464**	$ 1,743	**426,328**	$430,684
—	—	**—**	—	**198,670**	202,450
—	—	**—**	—	**198,670**	202,450
10,080	16,580	**1,464**	1,743	**16,699**	24,291
—	—	**—**	—	**—**	—
210,959	203,943	**—**	—	**210,959**	203,943
$221,039	$220,523	**$ 1,464**	$ 1,743	**$426,328**	$430,684

Virginia Public School Authority
Long Term Indebtedness

($000 Omitted)

	Amount	Sale	Interest Cost	
			Authority	Locality
Bonds				
School Financing, Series 1964A	$ 10,000	04-15-64	3.1268%	3.30 %
School Financing, Series 1968A	10,000	06-12-68	4.4174	4.50
School Financing, Series 1970A	25,000	08-04-70	5.6716	5.75
School Financing, Series 1971A	25,000	02-18-71	4.5375	4.6026
School Financing, Series 1971B	13,000	08-24-71	4.9834	5.0385
School Financing, Series 1972A	20,000	07-18-72	4.8659	4.95
School Financing, Series 1973A	15,220	04-24-73	4.8377	4.90
School Financing, Series 1974A	16,540	04-10-74	5.5649	5.65
School Financing, Series 1975A	16,550	02-05-75	5.4379	5.53
School Financing, Series 1975B	8,030	09-30-75	6.9591	7.05
School Financing, Series 1976A	16,165	03-03-76	5.8806	5.98
School Financing, Series 1976B	12,025	10-14-76	5.2426	5.34
School Financing, Series 1977A	12,485	03-10-77	5.0563	5.15
School Financing, Series 1977B	16,200	10-06-77	5.022	5.12
School Financing, Series 1978A	16,210	03-22-78	4.988	5.08
School Financing, Series 1978B	14,440	10-25-78	5.497	5.59
School Financing, Series 1979A	16,250	03-28-79	5.628	5.72
School Financing, Series 1979B	16,085	10-03-79	5.9903	6.09
School Financing, Series 1980A	19,375	09-18-80	8.33	8.40
School Financing, Series 1982A	5,875	02-17-82	11.86	11.91
School Financing, Series 1982B	3,245	02-17-82	10.50	10.55
School Financing, Series 1982C	6,800	09-16-82	9.75	9.85
School Financing, Series 1983A	11,475	03-02-83	7.85	7.95
School Financing, Series 1984A	18,660	04-11-84	9.129	9.20
School Financing, Series 1985A	13,485	04-09-85	8.6438	8.74
Grand Total				

Date of Bonds	Interest Rate	Outstanding June 30, 1984	Outstanding June 30, 1985	Maturity
1-1-64	3.20	500	—	
7-1-68	4.40 to 4.50	2,500	**2,000**	1-1-86/89
7-1-70	5.90 to 4.00	2,000	**1,000**	1-1-86
1-1-71	4.70 to 3.00	8,750	**7,500**	1-1-86/91
7-1-71	5.00 to 5.50	4,600	**3,850**	1-1-86/92
7-1-72	5.10 to 4.50	9,000	**8,000**	1-1-86/93
1-1-73	4.90 to 6.00	7,620	**6,860**	1-1-86/94
1-1-74	6.00 to 5.90	9,125	**8,300**	1-1-86/95
1-1-75	5.90 to 7.00	9,125	**8,295**	1-1-86/95
7-1-75	6.75 to 7.00	4,830	**4,430**	1-1-86/96
1-1-76	7.00 to 5.00	9,670	**8,860**	1-1-86/96
7-1-76	5.20 to 5.25	7,815	**7,210**	1-1-86/97
1-1-77	5.00 to 5.10	8,075	**7,445**	1-1-86/97
7-1-77	4.80 to 5.20	11,340	**10,530**	1-1-86/98
1-1-78	4.90 to 5.00	11,340	**10,530**	1-1-86/98
7-1-78	5.50	10,800	**10,080**	1-1-86/99
1-1-79	5.50 to 5.75	12,175	**11,360**	1-1-86/99
7-1-79	5.90 to 6.20	12,845	**12,035**	1-1-86/00
7-1-80	8.00 to 8.90	16,440	**15,460**	1-1-86/01
1-1-82	11.80 to 11.90	5,275	**4,975**	1-1-86/02
1-1-82	10.50	2,600	**2,275**	1-1-86/92
7-1-82	9.75	6,460	**6,120**	1-1-86/03
3-1-83	7.50 to 7.90	10,905	**10,335**	1-1-86/03
5-1-84	7.00 to .05	18,660	**17,735**	1-1-86/04
5-1-85	5.25 to 9.00	—	**13,485**	1-1-86/05
		202,450	**198,670**	

Appendix
Constitution of Virginia
Article X Section 9. State Debt

Section 9. State Debt

No debt shall be contracted by or in behalf of the Commonwealth except as provided herein.

(a) Debts to meet emergencies and redeem previous debt obligations.

The General Assembly may (1) contract debts to suppress insurrection, repel invasion, or defend the Commonwealth in time of war; (2) contract debts, or may authorize the Governor to contract debts, to meet casual deficits in the revenue or in anticipation of the collection of revenues of the Commonwealth for the then current fiscal year within the amount of authorized appropriations, provided that the total of such indebtedness shall not exceed thirty per centum of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the preceding fiscal year and that each such debt shall mature within twelve months from the date such debt is incurred; and (3) contract debts to redeem a previous debt obligation of the Commonwealth.

The full faith and credit of the Commonwealth shall be pledged to any debt created under this subsection. The amount of such debt shall not be included in the limitations on debt hereinafter established, except that the amount of debt incurred pursuant to clause (3) above shall be included in determining the limitation on the aggregate amount of general obligation debt for capital projects permitted elsewhere in this article unless the debt so incurred pursuant to clause (3) above is secured by a pledge of net revenues from capital projects of institutions or agencies administered solely by the executive department of the Commonwealth or of institutions of higher learning of the Commonwealth, which net revenues the Governor shall certify are anticipated to be sufficient to pay the principal of and interest on such debt and to provide such reserves as the law authorizing the same may require, in which event the amount thereof shall be included in determining the limitation on the aggregate amount of debt contained in the provision of this article which authorizes general obligation debt for certain revenue-producing capital projects.

(b) General obligation debt for capital projects and sinking fund.

The General Assembly may, upon the affirmative vote of a majority of the members elected to each house, authorize the creation of debt to which the full faith and credit of the Commonwealth is pledged, for capital projects to be distinctly specified in the law authorizing the same; provided that any such law shall specify capital projects constituting a single purpose and shall not take effect until it shall have been submitted to the people at an election and a majority of those voting on the question shall have approved such debt. No such debt shall be authorized by the General Assembly if the amount thereof when added to amounts approved by the people or authorized by the General Assembly and not yet submitted to the people for approval, under this subsection during the three fiscal years immediately preceding the authorization by the General Assembly of such debt and the fiscal year in which such debt is authorized shall exceed twenty-five per centum of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three fiscal years immediately preceding the authorization of such debt by the General Assembly.

No debt shall be incurred under this subsection if the amount thereof when added to the aggregate amount of all outstanding debt to which the full faith and credit of the Commonwealth is pledged other than that excluded from this limitation by the provisions of this article authorizing the contracting of debts to redeem a previous debt obligation of the Commonwealth, and for certain revenue-producing capital projects, less any amounts set aside in sinking funds for the repayment of such outstanding debt, shall exceed an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three fiscal years immediately preceding the incurring of such debt.

All debt incurred under this subsection shall mature within a period not to exceed the estimated useful life of the projects as stated in the authorizing law, which statement shall be conclusive, or a period of thirty years, whichever is shorter; and all debt incurred to redeem a previous debt obligation of the Commonwealth, except that which is secured by net revenues anticipated to be sufficient to pay the same and provide reserves therefore, shall mature within a period not to exceed thirty years. Such debt shall be amortized, by payment into a sinking fund or otherwise, in annual installments of principal to begin not later than one-tenth of the term of the bonds, and any such sinking fund shall not be appropriated for any other purpose; if such debt be for public road purposes, such payment shall be first made from revenues segregated by law for the construction and maintenance of State highways. No such installment shall exceed the smallest previous installment by more than one hundred per centum. If sufficient funds are not appropriated in the budget for any fiscal year for the timely payment of the interest upon and installments of principal of such debt, there shall be set apart by direction of the Governor, from the first general fund revenues received during such fiscal year and thereafter, a sum sufficient to pay such interest and installments of principal.

(c) Debt for certain revenue-producing capital projects.

The General Assembly may authorize the creation of debt secured by a pledge of net revenues derived from rates, fees, or other charges and the full faith and credit of the Commonwealth, and such debt shall not be included in determining the limitation on general obligation debt for capital projects as permitted elsewhere in this article, provided that

(1) the creation of such debt is authorized by the affirmative vote of two-thirds of the members elected to each house of the General Assembly; and

(2) such debt is created for specific revenue-producing capital projects (including the enlargement or improvement thereof), which shall be distinctly specified in the law authorizing the same, of institutions and agencies administered solely by the executive department of the Commonwealth or of institutions of higher learning of the Commonwealth.

Before any such debt shall be authorized by the General Assembly, and again before it shall be incurred, the Governor shall certify in writing, filed with the Auditor of Public Accounts, his opinion, based upon responsible engineering and economic estimates, that the anticipated net revenues to be pledged to the payment of principal of and interest on such debt will be sufficient to meet such payments as the same become due and to provide such reserves as the law

authorizing such debt may require, and that the projects otherwise comply with the requirements of this subsection, which certifications shall be conclusive.

No debt shall be incurred under this subsection if the amount thereof when added to the aggregate amount of all outstanding debt authorized by this subsection and the amount of all outstanding debt incurred to redeem a previous debt obligation of the Commonwealth which is to be included in the limitation of this subsection by virtue of the provisions of this article authorizing the contracting of debts to redeem a previous debt obligation of the Commonwealth, less any amounts set aside in sinking funds or the payment of such debt, shall exceed the amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the three fiscal years immediately preceding the incurring of such debt.

This subsection shall not be construed to pledge the full faith and credit of the Commonwealth to the payment of any obligation of the Commonwealth, or any institution, agency, or authority thereof, or to any refinancing or reissuance of such obligation which was incurred prior to the effective date of this subsection.

(d) Obligations to which section not applicable.

The restrictions of this section shall not apply to any obligation incurred by the Commonwealth or any institution, agency, or authority thereof if the full faith and credit of the Commonwealth is not pledged or committed to the payment of such obligation.